

at the outbreak of the crisis to 64,144,561 francs, were reduced on July 31st to 7,227,333 francs. The proceeds were employed in the purchase of bullion, principally in silver, which the mint rapidly coined into crowns. The bank was thus enabled to meet every demand and to reduce the rate of discount as soon as the crisis was over. The rate of July 15th was two and a half per cent., but this was increased to five per cent, between July 15th and August 5th, and to six per cent, from August 5th to August 27th, and even to seven per cent, for bills drawn in foreign countries on Belgium. The 27th of August saw the worst of the crisis over, and the domestic rate fell to five and a half per cent. ; on September 10th to four and a half per cent. ; and on October 8th to three and a half per cent.

Belgium was led to propose the formation of the Latin Union in 1865 because of the difficulty of maintaining the double standard under the oscillations in the price of gold and silver. The French system of decimal coinage was adopted by the law of June 5, 1832, but silver was made the standard and no provision was made for gold coinage. The creation of a gold circulation in France after the great gold discoveries led to a popular demand for the admission of French gold coins into Belgium. This was decreed by the law of June 4, 1861, and the result was to drive the silver five-franc pieces out of sight and change the standard of actual circulation from silver to gold. The National Bank had a reserve at that time of 48,645,000 francs in silver five-franc pieces, which was paid out to meet current demands, but this fund declined by November 8, 1862, to 14,629,000 francs, and the bank suspended their further issue.¹ The smaller pieces continued to disappear, but the movement was retarded for a time by the suspension of specie pay-

mental cities, the bills on England held "by the bankers and joint stock companies often amount to many millions sterling ; and a very large sum remains in their hands for several months,—in fact, from the time when the bills are drawn to the time when they fall due."— Goschen, *Foreign Exchanges* > 138. ¹ Shaw, 191.